

Information Request DTE-1-5

Please refer to the Filing Letter at 2, which states that the “NSTAR Green option will allow residential and small C&I customers to purchase an incremental 25 percent of the customer’s total kilowatthour usage from a new renewable power source.” Explain why the Company opted to offer one product, not a range of products (e.g., varying incremental percentage offerings or specific attribute-based products) through NSTAR Green. In the response, refer to customer survey responses, evaluation of other utility offerings, and other relevant research material the Company used when developing NSTAR Green.

Response

The Company’s research of green power offerings led to its decision to concentrate on one product offering. The Company has provided responses to its survey questions as Attachment DTE-1-5. Research of other utility offerings is provided in response to Information Request DTE-1-7. Although some customers indicated a desire for more specific products (i.e., fuel sources) and higher percentages of green power, a majority of responses indicated that simplicity was preferred (see Attachment DTE-1-5, responses to Question 3). Moreover, research from other utility offerings suggested that a high-cost product would be unsuccessful (see Attachment DTE-1-7, at 49). Therefore, the price for the Program offering was targeted at an incremental 10-15 percent over the customer’s commodity charge as this was deemed to be an acceptable additional charge level based on feedback from customers and content would be a cost-effective mixture with up to 5 percent solar/wind. In order to have the greatest impact on the renewable market, only Renewable Portfolio Standard-certified RECs would be eligible.

After the initial two-year marketing plan, the product performance and overall market will be evaluated. The expectation is that this would foster competition for more complex, alternative green products from the competitive market place.